

2016 Plan of Operations

Date: January 20, 2016

Project Title: Apex El Nido Exploration Project

Project Description:

General

The activity for the Apex El Nido Exploration project entails conducting hard rock exploration through diamond core drilling. The purpose of the exploration is to determine the presence, extent and quantity of gold mineralization. Determining the geology of the area in which the minerals mentioned are located is also a goal of the exploration project. This will be accomplished by the use of a helicopter-portable diamond drill. It is anticipated a maximum of 10 holes will be drilled in the 2016 season. The duration of the project is expected to be completed in 6 to 8 weeks, which will occur on or around May 1, 2016 and will go through early-August on the exploration project site.

Project Location

The exploration project is located within the Tongass National Forest on Chichagoff Island, approximately two miles southwest of the town of Pelican, Alaska. Millrock Exploration owns or has interest in 39 Federal Mining Claims within Sections 13 & 22-27, Township 45S, Range 56E, Copper River Meridian. The project is situated in the Cann Creek Drainage. The waters of Cann Creek are not catalogued as anadromous by the Alaska Dept. of Fish and Game.

Diamond Bore Holes

One diamond drill will be at the exploration site. The diamond drill is moved by helicopter and supported on the ground by timbers. A maximum of 10 holes will be drilled with to a maximum depth of 1500 ft. Up to 2 holes will be drilled at each drill pad location, resulting in a maximum of five drill sites. Specific drill site locations are identified on the maps enclosed.

Drill site and surface disturbance/footprint is expected to be minimal, and every effort will be made to site holes which use existing flat topography. The 10 diamond bore holes will result in up to approximately 0.1 acres of disturbance, or 5000 square feet total (1000 square feet per drill site location). The use of 6' X 6' timbers for pad platforms and cribbing will be necessary at most locations. For drill site locations on high-angle or rugged terrain, a post and beam design will be used for drill pads. No trees will be cut for the purpose of pad construction, as timbers will be acquired from a lumber supply company.

In an effort to minimize introduction of invasive species, drill equipment will be thoroughly inspected and cleaned prior to mobilization. An environmental and safety inspection of the drill and ancillary equipment will be performed daily by the drilling crew. To the extent possible, drill water and muds will be reused and recirculated into the borehole in order to limit the total amount of water and drill additives used during the program. Drill water and mud will be recirculated in geofabric-lined pits or tanks on the drill pad or drill pad platform. Diamond bore holes will not be drilled within 300 ft of anadromous streams. In addition, no borehole drilling water will be allowed to enter streams or wetlands directly, and emergency spill kits and absorbent material will be kept at the drill site and water pump site.

Water for the diamond drilling will be acquired from Cann Creek and ponds. Screens will be placed on intake hose prior to pumping from any water body. Water for drilling operations will be supplied via a 5 gallon per minute (gpm) pump through a maximum 5,000 ft length of hose. The pump intake is 1.5 inches, and will work at a maximum rate of 5 gpm for 24 hours resulting in a maximum daily withdrawal rate of 7,200 gallons per day (gpd). There are no known seasonal volumes of water or water flow rates for the Cann Creek area. Drilling is expected to take approximately 56 days and will occur between May through August on the exploration project site.

Reclamation

All drill holes will be reclaimed concurrently with exploration according to standards of State of Alaska Statutes for reclamation. Casing will be removed or cut off at or below ground surface. Drill holes will be plugged with Volcay grout, a bentonite clay grout, or equivalent from bottom to top. Any bore hole making artesian water will be plugged according to Alaska Division of Mining, Land & Water requirements. No drilling mud or aqueous drilling solutions from the diamond bore holes shall be allowed to enter streams or wetlands. Drill hole cutting will be buried in sump pits (typically 10 ft x 4 ft in area and 4 ft deep). Topsoil and overburden will be separated and stockpiled for future use. The disturbed surface will be re-contoured with surrounding physiography using the stockpiled overburden to promote natural plant growth and reseeded with a United States Forest Service approved seed mixture to protect from any further erosion. No exploration roads will be constructed and drill pad disturbance will be kept to a minimum through the use of temporary timber pads. Structures and pads will be dismantled and removed at the completion of exploration. Trash will be removed from the site on a daily basis.

Fuel

Fuel for the equipment used in the proposed exploration project will be supplied from facilities located in Pelican. Types of fuel will include Jet-A50, No. 2 diesel and unleaded gasoline. Fuel will be transported to the project area via helicopter in double-wall portable tanks. No more than 5,000 gallons of fuel will be stored on the exploration project site, which most likely will be in the town of Pelican. More typically the maximum fuel storage will be 500 gallons or less per drill site. Fuel stored at the exploration project site staging area will be kept in double-wall tanks inside lined fuel storage areas. Liners will have 110% capacity of the largest fuel tank stored in containment. Fuel storage areas at the drill sites will be a minimum of 300 feet away from any body of water and provide secondary containment for portable tanks or barrels temporarily stored at the sites. Emergency spill kits and hydrocarbon specific absorbent material will be kept at each drill site and pump station.

Wildlife and Subsistence Use in the Area

This information has not been compiled for the purpose of this Plan of Operation.

Access and Site Support

Access and exploration support will be via helicopter from the town of Pelican.

Camp

No camp will be required, as workers will be housed off site in Pelican and transported by helicopter. Each drill site will have a portable emergency shelter available (WeatherPort type tent). A bucket and bag system will be used for human waste. The waste will be transported off site for disposal daily.

Cultural Survey

Proposed exploration areas will be surveyed for cultural resources prior to work and those cultural resource surveys will be performed when the ground is not frozen and free of snow. Previously undiscovered cultural, archaeological or paleontological sites will be identified and appropriate agencies notified, but the sites will be avoided by relocating the exploration drill site.

Wetlands

A Clean Water Act Section 404 Permit is not required for the exploration drilling program because of its *de minimis* nature. And the exploration activities will be conducted under provision of Nation Wide Permit #6 Survey Activities.